



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

**BY FACSIMILE AND U.S. MAIL**

Neil Reiff  
Sandler, Reiff & Young, P.C.  
50 E Street, S.E.  
Suite 300  
Washington, DC 20003

**FEB 13 2006**

RE: MUR 5665  
Take Back the House and M. Mickey  
Williams, in his official capacity as  
treasurer

Dear Mr. Reiff:

On February 8, 2006, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 441b(a), 441(f), and 434(a), provisions of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. §§ 102.5(b), 102.9, 103.3(b), and 104.5(c). Enclosed you will find a copy of the fully executed conciliation agreement for your files.

The file in this matter has been closed and this matter is now public. Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003).

Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Adam Schwartz  
Attorney

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Neil Reiff  
MUR 5665  
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Enclosure  
Conciliation Agreement

26044134104

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )

Take Back the House (a.k.a. Democratic Majority) )

M. Mickey Williams, in his official )  
capacity as Treasurer )

MUR 5665

**CONCILIATION AGREEMENT**

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

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This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

On June 21, 2005, the Commission found reason to believe that Take Back the House (a.k.a. Democratic Majority) and M. Mickey Williams, in his official capacity as Treasurer, ("Respondents") violated 2 U.S.C. §§ 441a(f), 441b(a) and 434(a) and 11 C.F.R. §§ 102.9, 103.3(b) and 104.5(c).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437(g)(a)(4)(A)(i).
- I. Respondents enter voluntarily into this agreement with the Commission.
- II. The pertinent facts in this matter are as follows:
  1. Respondents are Take Back the House (a.k.a. Democratic Majority) ("the Committee"), a political committee within the meaning of 2 U.S.C. § 431(4), and M. Mickey Williams, in his official capacity as Treasurer.
  2. Political committees that make disbursements in connection with federal and non-federal elections must make those disbursements entirely from funds

subject to the prohibitions and limitations of the Act, or from accounts established pursuant to 11 C.F.R. § 102.5. If a political committee which finances political activity in connection with both federal and non-federal elections establishes a separate federal account, the account shall be treated as a separate federal political committee which shall comply with the requirements of the Act including registration and reporting. 11 C.F.R. § 102.5(a)(1)(i). Only funds subject to the prohibitions and limitations of the Act shall be deposited in the federal account and all disbursements, contributions, expenditures and transfers in connection with a federal election shall be made from the federal account.

3. The Federal Election Campaign Act of 1971, as amended, (the "Act") provides that political committees, other than authorized political committees, national political party committees, or State political party committees, may accept up to \$5,000 from an individual per calendar year and that no political committee shall knowingly accept any contribution in violation of the contribution limitations in the Act. 2 U.S.C. §§441a(f).
4. In September 2002, Respondents knowingly accepted a contribution from Peter Angelos that exceeded the applicable individual contribution limit by \$5,000 and failed to refund or reattribute the contribution pursuant to 11 C.F.R. § 103.3.
5. The Act prohibits political committees from knowingly accepting contributions made from corporations' general treasuries in connection with federal elections. 2 U.S.C. § 441b(a).
6. In November 2002, Respondents knowingly accepted a corporate contribution from AT&T in the amount of \$20,000.

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7. The Act prohibits political committees from knowingly accepting contributions made from labor organizations' general treasuries in connection with federal elections. 2 U.S.C. § 441b(a).
8. In November 2002, Respondents knowingly accepted a contribution of \$25,000 from the Michigan Regional Council of Carpenters, a regional division of the United Brotherhood of Carpenters and Joiners of America, a labor organization.
9. The Act requires that, when a political committee accepts a contribution from an unregistered organization and deposits that contribution into an account used to influence federal elections, the committee take steps to insure that the contributor used permissible funds to make the contribution. 2 U.S.C. §§ 441a(f) and 441(b).
10. In May 2002, Respondents accepted a contribution of \$2,500 from the Interactive Digital Software Political Action Committee, now known as the Interactive Digital Software Association Non-Federal PAC 1, an organization that is not registered with the Commission. This organization lacked sufficient federal funds at the time it made the contribution.
11. None of the prohibited contributions described herein were refunded pursuant to 11 C.F.R. § 103.3.
12. The Act and Commission regulations require political committees to file complete and accurate reports of the committees' receipts and disbursements on time, to monitor contributions to ensure compliance with the Act's contribution source prohibitions and contribution limitations, to provide name and address information of contributors who contribute more than \$50, and to report the purpose of each. 2 U.S.C. § 434(a) and 11 C.F.R. §§ 102.9 and

103.3(b).

13. Respondents' 2002 30-Day Post-General Election Report, which was filed on December 5, 2002, was the last disclosure report timely filed with the Commission. On September 16, 2005, Respondents filed late all required disclosure reports with the Commission.

**III. Respondents committed the following violations:**

1. Respondents accepted a contribution that exceeded the applicable individual contribution limit by \$5,000 in violation of 2 U.S.C. § 441(f).
2. Respondents accepted a contribution of \$20,000 from a corporation in violation of 2 U.S.C. § 441b(a).
3. Respondents accepted a contribution of \$25,000 from a labor organization in violation of 2 U.S.C. § 441b(a).
4. Respondents accepted a contribution of \$2,500 from an organization that lacked sufficient federal funds to make the contribution in violation of 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(b).
5. Respondents failed to timely file required disclosure reports beginning in December 2002 in violation of 2 U.S.C. § 434(a) and 11 C.F.R. §§ 102.9, 103.3(b) and 104.5(c).
6. Respondents contend that the violations described in paragraphs III.1 through III.4 resulted from the failure to maintain a separate federal account from which all contributions to, disbursements, expenditures, and transfers in connection with any federal election should be made pursuant to 11 C.F.R. § 102.5(a)(i). Respondents further contend that with the exception of \$1,625, all funds accepted or received by Respondents were spent on nonfederal elections. Nevertheless, Respondents agree that they violated the Act as set

forth in paragraphs III.1 through III.4.

**IV. Respondents will take the following actions:**

1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of five thousand dollars (\$5,000), pursuant to 2 U.S.C. § 437(g)(5)(A).
2. Respondents will cease and desist from violating 2 U.S.C. §§ 441a(f), 441b(a) and 434(a) and 11 C.F.R. §§ 102.9, 103.3(b) and 104.5(c).
3. Respondents will file a termination report with the Commission no later than February 28, 2006.
4. Upon completion of his current duties as treasurer, respondent M. Mickey Williams does not intend to serve as treasurer for any political committee, as defined in 2 U.S.C. § 431(4), in the future. In the event that Mr. Williams agrees to undertake such duties in the future, Mr. Williams agrees to attend a Commission-sponsored training program within three (3) months of being named as treasurer or, if no program is offered within the three (3) month period, attend the first available Commission-sponsored training program.

**V. Respondent Take Back the House, through recent filings with the Commission and additional representations, has indicated that financial hardship prevents it from paying a civil penalty greater than five thousand dollars (\$5,000). The Commission regards these filings and representations as material representations.**

In addition,

respondent Take Back the House agrees that if its financial situation improves

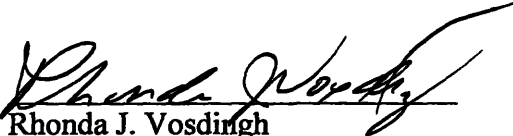
materially prior to termination, it will immediately disgorge any funds to the United States Treasury.

- VI. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- VII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.
- VIII. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.
- IX. This Conciliation Agreement constitutes the entire agreement between the parties on matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

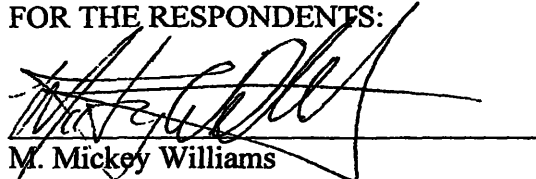
Lawrence H. Norton  
General Counsel

BY:

  
Rhonda J. Vosdinger  
Associate General Counsel  
For Enforcement

2/13/06  
Date

FOR THE RESPONDENTS:

  
M. Mickey Williams  
Treasurer, Take Back the House

1/11/2006  
Date